



## 2014-15 Differentiated Pay Plan Submission Template

In June 2013, the State Board of Education passed a revised set of guidelines pursuant to Tenn. Code Ann. §49-3-306(h), which requires districts to create and implement differentiated pay plans. The intent of the differentiated pay plans is to give local control to districts in regard to salary schedule, and to create another lever for districts to attract and retain teachers based on a flexible set of potential criteria. A complete copy of the policy can be found [here](#).

### Structure of this Document

The document includes two required sections where districts will describe their proposed 2014-15 differentiated pay plans and salary schedules. An optional section is also included on stakeholder engagement and eligibility. Finally, districts that choose to propose an [alternative salary schedule](#) as their differentiated pay plan, or part of their plan, will need to complete a short [addendum](#). A list of the common differentiated pay terms used throughout this document can be found in [Appendix A](#).

### Timeline

The department has created a flexible timeline for differentiated pay plan submission to better meet the various deadlines of each district's local school board and budget processes. The table below outlines this timeline:

General Differentiated Pay Plan Submission Timeline	
Prior to submission	Local school boards are informed of and/or approve differentiated pay plans that will be submitted to TDOE
Jan. 2, 2014	TDOE begins accepting differentiated pay plan submissions
Ongoing	Districts submit differentiated pay plans to TDOE
Three weeks after date of submission	TDOE communicates approval decision to school districts
Following TDOE approval notification but no later than June 30, 2014	Local school boards approve final differentiated pay plans and any associated budget items

For those districts that choose to implement an [alternative salary schedule](#) as their differentiated pay plan (see page 5 for more detailed information on this option) the following timeline will be used in order to meet the necessary State Board of Education (SBE) deadlines.

<b>Alternative Salary Schedule Submission Timeline</b>	
Prior to submission	Local school boards are informed of the alternative salary schedule that will be submitted to TDOE
Jan. 2, 2014	TDOE begins accepting differentiated pay plan submissions
Jan. 31, 2014	Districts submit alternative salary schedules to TDOE
By Feb. 21, 2014	TDOE communicates approval decision of the alternative salary schedule to school districts
By March 8, 2014	Local school boards approve the alternative salary schedule
March 8, 2014	TDOE submits alternative salary schedule documents to the SBE
April 18, 2014	SBE Meeting

All differentiated pay plans and alternative salary schedules should be submitted to [Laura.Encalade@tn.gov](mailto:Laura.Encalade@tn.gov). The department also plans to post the final differentiated pay plans on its website.

Note that while the differentiated pay plan must be implemented in the 2014-15 school year, the first payouts from those plans could occur, particularly for those plans which include performance related criteria, at the completion of the 2014-15 school year when all relevant student achievement data is available. Following the 2014-15 school year, the department will collect evidence of implementation, including information regarding the number of awards that were paid out.

Contact Laura Encalade at [Laura.Encalade@tn.gov](mailto:Laura.Encalade@tn.gov) or (615) 253-2119 for additional questions or guidance on creating your differentiated pay plan or on the submission and approval processes.

## I. Description of Differentiated Elements (Required Section)

Directions: For each element of the district's differentiated pay plan, use the table below to provide a description of how the district will differentiate pay. The plan must include **at least one** of the elements listed below in the left-hand column, in addition to education and experience.

Many plans may include a combination of several elements; therefore, please add rows or repeat differentiated elements as needed. For example, the plan may include two different types of additional instructional roles. Also, please feel free to delete from the table or leave blank any differentiated elements that will not be used in your plan.

[Appendix B](#) of this document contains an example of each type of differentiated element. Please review that example prior to completing the table below.

Differentiated Element	Description	Compensation Type and Size	Reach	Estimated Cost	Estimated Salary Expenditures
	<p><i>Describe how the district will differentiate for this element.</i></p> <p><i>Include the criteria for receiving the award.</i></p>	<p><i>Will the compensation be given as a bonus or a base pay increase?</i></p> <p><i>How much will qualifying teachers receive?</i></p>	<p><i>Eligibility: How many teachers are eligible for this type of compensation?</i></p> <p><i>Forecasted participation: How many teachers do you estimate will receive the award?</i></p>	<p><i>How much does the district estimate it will pay out for this differentiated pay element?</i></p>	<p><i>What percentage of salary expenditures (excluding benefit costs) does this element cover?</i></p>
<b>Hard-to-Staff (School, Subject, or Placement)</b>	The district may offer a signing bonus in the hard-to-staff areas of middle school science and math and in the area of special education	The bonus— if offered - (a \$1,500 signing bonus) will be given at the time an employment contract is signed by both the teacher and the school district.	This award will be available to new teachers to the district if needed in recruitment. The district typically hires 2 positions per year in the areas defined.	The estimated total for this is \$3,000 (2 teachers at \$1,500 each)	This award makes up less than 1% of the district's annual salary cost.
<b>Additional Instructional Roles or Responsibilities</b>	The district will offer after-school, before school, summer enrichment and remedial classes in the four core curriculum areas in addition to special education students.	The district will compensate the employees who chose to participate in this section of the plan no later than the end of each semester or at the end of the designated course, whichever comes	All 64 certified employees of the district are eligible to apply for these positions. It is estimated that approximately ¼ of the district's staff will participate.	The estimated cost for these enrichment/remedial courses will be \$30,000.	The compensation in this area will equal approximately 2% of the district's annual

		first. The rate of compensation will be \$18 per hour.			salary cost.
<b>Education</b>	The district will continue to award step increases based on the following levels of education: 1. Bachelors Degree, 2. Bachelors Degree PLUS 10 semester hours, 3. Bachelors Degree PLUS 20 semester hours, 4. Masters Degree, 5. Masters Degree PLUS 10 semester hours, 6. Masters Degree PLUS 20 semester hours 7. Masters Degree PLUS 30 semester hours 8. Education Specialist Degree 9. Doctorate	Advancing from one educational step to the next will be given as a salary increase.  Please see attached proposed pay scale for amounts	All 64 certified employees are eligible for this award  All 64 certified employees will receive this award.	The estimated cost for this portion of the salary plan is \$1,250,000.	These payouts will form close to 48% of salary cost
<b>Experience</b>	The district will continue to award experience steps from 0 years through 20 years.	Advancing from one experience step to the next will be given as a salary increase.  Please see attached proposed pay scale for amounts	All 64 certified employees are eligible for this award  All 64 certified employees will receive this award.	The estimated cost for this portion of the salary plan is \$1,250,000.	These payouts will form close to 48% of salary cost
<b>Other ATTENDANCE BONUS</b>	<b>ATTENDANCE BONUS:</b> The district will pay an attendance bonus to certified personnel for either perfect or outstanding attendance during the school year. The Attendance Bonus	The Attendance Bonus will be paid as a bonus at the end of the school year. The amount received by the certified staff will be based on the criteria in the box to the left.	All 64 certified employees of the district are eligible.  It is estimated that 15%-20% will be eligible for this component.	The estimated cost of this portion of the salary plan will be \$5,200.	This payout will make up less than 2% of the salary cost.

	breakdown: <ol style="list-style-type: none"> <li>1. No days missed an bonus of \$400</li> <li>2. Three days or less missed a bonus of \$150</li> <li>3. Up to three unused personal days may be “cashed in” for \$55 per day.</li> <li>4. MAXIMUM AMOUNT OF ATTENDANCE BONUS: \$400</li> </ol>				
<b>Other National Certified Board Teacher</b>	The district will add a new bonus award for staff members who attain certification as a National Certified Board Teacher. Participates for this bonus shall present documentation from the National Certification Board confirming they have meet the criteria to become national certified.	The staff members that are certified as a National Certified Board Teacher will receive an additional \$2,000 annually added into their placement on the step and lane salary schedule approved by the local board.	All 64 certified employees of the district are eligible to become National Board Certified Teachers.  Currently there are no nationally certified staff members in the district.	The estimated cost for the 1 <sup>st</sup> year of this plan is \$0. However, it is felt that there will be certified staff members who will pursue this option in the future.	For the first year of this program the cost will be \$0.

## II. Salary Schedule (Required Section)

1. Please include below or attach a copy of the district's proposed 2014-15 salary schedule.
2. Describe how you will allocate any future state funding increases (i.e., FY13 1.5% increase in the BEP instructional component). Will increases be: 1) applied across-the-board, 2) allocated towards differentiated pay, or 3) a combination of both?

**For Year 1 of this plan the increase in state funding will be added to the step and lane pay scale. In future years as the amounts of the bonuses rise the increase may be divided between step and lane and bonuses.**

## III. Eligibility and Stakeholder Engagement (Optional Section)

While this section is optional, the information provided will help the department to be able to provide continued support and assistance to districts in implementing their differentiated pay plans.

1. Provide a list of eligibility rules (i.e., attendance requirements, retirement or transfer policies, etc.) for the differentiated pay plan elements or additional roles/responsibilities outlined in the plan.
2. Include a description of how the district engaged teachers or other stakeholders in the development of the differentiated pay plan.
3. Does the district plan to expand or grow its differentiated pay plan in future years? If so, what types of changes or expansions are you considering to your differentiated pay plan or salary schedule?

#### **IV. Alternative Salary Schedule (Optional Section)**

An alternative salary schedule uses some other component, often performance criteria, in addition to or in place of education and experience to determine base pay and is subject to State Board of Education (SBE) approval. If you are unsure whether your plan qualifies as an alternative salary schedule or for additional resources for developing such a plan, contact Laura Encalade at [Laura.Encalade@tn.gov](mailto:Laura.Encalade@tn.gov) for more information. Please review the [specific submission timeline](#) for alternative salary schedules on page 2.

Those districts proposing an alternative salary schedule as part of their differentiated pay plan, must complete this addendum to provide the department with the additional information needed to present the salary schedule to the SBE on behalf of the LEA. Those districts which already have SBE approved alternative salary schedules need only to submit a current copy of that plan.

##### **a. Salary Schedule**

Include both the proposed salary schedule and a description of the following:

- How will base pay changes be determined?
- Will existing employees have an opt-out provision for the alternative salary schedule? If so, when will all employees transition to the alternative salary schedule?
- How will the following groups be placed on the alternative salary schedule?:
  - Existing district employees
  - Educators new to teaching with zero years of experience
  - Educators new to the district but with prior experience

##### **b. Eligibility Criteria**

If not already included in Section IV on the previous page, describe below or include in an attachment a copy of any eligibility rules for the alternative salary schedule.

##### **c. Feasibility Analysis**

Attach evidence using 2012-13 data (at a minimum) that the alternative salary schedule is financially feasible. Please reach out to [Laura.Encalade@tn.gov](mailto:Laura.Encalade@tn.gov) for additional information or support in meeting this requirement.

##### **d. Stakeholder Engagement**

Include a description of how the district engaged teachers or other stakeholders in the development of the differentiated pay plan.

## Appendix A: Common Differentiated Pay Definitions

1. Base pay (base salary): An individual's salary excluding any additional compensation in the form of bonuses, stipends, or supplements for additional work or responsibilities.
2. Bonus/stipend: Additional compensation for a pre-defined set of criteria. Bonus and stipend pay are awarded in addition to or "on top of" an individual's base pay. Bonuses/stipends are one-time payments awarded for a specific role, additional responsibility, or achievement of particular criteria. Bonuses and stipends are not a part of base salary and do not become a reoccurring part of an individual's compensation.
3. Traditional salary schedule (or step and lane schedule): A salary schedule that uses years of experience and education levels exclusively to determine educator's increases in base pay. Traditional schedules may follow the same structure as the state minimum salary schedule. Salary schedules that modify the amount of the step increases given for experience or change the structure of the education lanes may still be considered a traditional schedule as long as they meet or exceed the relevant state minimums.
4. Alternative salary schedule<sup>1</sup>: A salary schedule that uses some other component, often a performance measure, in addition to or in place of education and experience to determine base pay. A schedule where an educator's evaluation score is used to determine the amount of his or her yearly base pay increase is an example of an alternative salary schedule. Alternative salary schedules are subject to State Board of Education approval.
5. Opt-in/opt-out provision: Individuals are provided with the choice to participate in a program. This provision is most often associated with alternative salary schedules and is not a required provision.

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<sup>1</sup> If you are unsure as to whether your plan is a traditional salary schedule or an alternative salary schedule, please contact [Laura.Encalade@tn.gov](mailto:Laura.Encalade@tn.gov).